

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 20-A MRSA §1, sub-§20-A, as enacted by PL 2007, c. 240, Pt. XXXX, §1, is repealed.

Sec. 2. 20-A MRSA §1, sub-§23-B, as enacted by PL 2007, c. 240, Pt. XXXX, §2, is repealed.

Sec. 3. 20-A MRSA §1, sub-§24-B, as enacted by PL 2007, c. 240, Pt. XXXX, §3, is repealed.

Sec. 4. 20-A MRSA §1, sub-§24-C, as enacted by PL 2007, c. 240, Pt. XXXX, §4, is repealed.

Sec. 5. 20-A MRSA §1, sub-§26, as amended by PL 2007, c. 240, Pt. XXXX, §5, is further amended to read:

26. **School administrative unit.** "School administrative unit" means the state-approved unit of school administration and includes a municipal school unit, school administrative district, community school district, ~~regional school unit~~ or any other municipal or quasi-municipal corporation responsible for operating or constructing public schools, except that it does not include a career and technical education region. ~~Beginning July 1, 2009, "school administrative unit" means the state-approved unit of school administration and includes only a municipal school unit and a regional school unit formed pursuant to chapter 103-A.~~

Sec. 6. 20-A MRSA §1201, as repealed by PL 2007, c. 240, Pt. XXXX, §6, is reenacted to read:

§1201. Criteria for establishing a school administrative district

The following criteria shall apply to establishing a school administrative district.

1. Number of municipalities. The district shall have 2 or more member municipalities.

2. Number of students. The district shall have, as recorded in the last return under section 6004:

A. Three hundred or more resident public secondary school students;

B. One hundred or more resident public secondary school students, if the state board determines the formation of a larger district is educationally, economically or geographically not feasible;

C. Fifty or more resident public secondary school students if:

(1) The proposed district has on file with the state board a duly authorized and executed 2-year to 10-year contract offer from a municipality having 100 or more resident public secondary school students; and

(2) If the combined number of resident public secondary school students in these 2 school administrative units exceeds 300; and

D. Any number of secondary school students, if the new district is composed in whole or in part of a community school district:

(1) Offering a program of education for grades 9 through 12; and

(2) Formed on or before, and operating on April 1, 1957.

Sec. 7. 20-A MRSA §1202, as repealed by PL 2007, c. 240, Pt. XXXX, §7, is reenacted to read:

§1202. Formation of district

The residents of 2 or more municipalities may form a school administrative district which shall be a body politic and corporate by completing the following steps.

1. Application vote. At a duly called special or regular meeting or city election the voters of a municipality may instruct its school board to file an application with the state board. The article to be inserted in the warrant for the meeting shall be in the following form:

"To see if the municipality will vote to instruct its school board to file an application with the State Board of Education for the purpose of forming a school administrative district with the following towns:
..... (naming them)"

2. Initial application. If the article is approved, the school board shall file an initial application with the state board.

A. The application shall include a list of the names of the municipalities that propose to form the school administrative district, an adequate study outlining the desirability and the educational feasibility of the proposed district and whatever other information the state board may deem necessary and proper.

B. In municipalities which have less than 300, but more than 99 resident pupils, the application shall state in detail the educational, economic and geographic reasons for the formation of the proposed school administrative district.

C. An application shall be filed on a form prepared by the state board.

3. Calling of a joint meeting. If the state board finds the proposed school administrative district eligible and approves its initial application, the state board shall notify the municipal officers and the members of the school boards in the municipalities within the proposed district of a date, time and place of a joint meeting of the municipal officers and the school board members from each municipality.

A. The notice shall be in writing and sent by registered or certified mail, return receipt requested, to the addresses as shown on the application.

B. The notice shall be mailed at least 10 days prior to the date set for the meeting.

4. Joint meeting. The following shall govern the joint meeting.

A. At least 1/2 of the total number of municipal officers and school committee members eligible to vote at the joint meeting shall be present to constitute a quorum. If there is no quorum, those present shall report to the state board that a quorum was not present and request the state board to issue a new notice.

B. The school boards and municipal officers of each municipality shall each caucus and select 3 of their members to represent their municipality in the joint meeting. Other members may not vote in the joint meeting.

C. Those with voting rights shall, by majority vote:

(1) Elect a chairman and a secretary;

(2) Determine the total number of school directors to represent each municipality and the method of apportioning voting power among directors consistent with this section and sections 1251 and 1252;

(3) Determine the method of sharing costs under section 1301; and

(4) Determine the date when all the municipalities in the proposed district shall vote on the articles of district formation. The date shall be at least 60 days from the date on which it is determined.

D. The chairman and secretary shall prepare a report describing the number of directors and the representation from each municipality. They shall sign and forward that report to the state board.

5. Calling municipal elections. If the state board finds the report of the joint meeting to be in order, the state board shall order the municipal officers of the municipalities involved to call town meetings or city elections on the date established pursuant to subsection 4, paragraph C, subparagraph (4) for the purpose of voting on the questions required by this subchapter relating to the formation of a school administrative district.

A. Municipalities voting on the questions of district formation under Title 30-A, sections 2528 to 2531-A shall open the polls at 10 a.m. and shall close the polls at 7 p.m.

B. In other municipalities the municipal officers shall direct that the town meeting or city election shall open at 7:30 p.m.

C. All school administrative units shall vote upon the questions of school district information in the same fashion as the units conduct other business at regular or special town meetings, except that school administrative units electing municipal officers by secret ballot may use that method for electing school board directors.

6. Articles to be voted on. The articles to be voted on shall be in the following form.

A. "Article: To see if the municipality will vote to join with the municipalities of (naming them) to form a school administrative district."

B. "Article: To see if the municipality will vote to approve the allocation of representation within the district on the Board of School Directors as recommended by the school committees and municipal officers as follows: The total number of directors shall be (number)"

C. "Article: To choose (number) school director(s) to represent the municipality (or subdistrict) on the board of school directors of the school administrative district."

D. If the state board has authorized an alternative method of sharing costs, the municipality shall vote on the following article.

Article: To see if the costs of operating "School Administrative District (number) " shall be shared among the towns of (naming them) in accordance with (per pupil, state valuation, a combination thereof or any other formula authorized by the Legislature).

E. If coterminous school districts exist or there is outstanding indebtedness for school construction or other school property in any of the municipalities concerned, the following additional article must also be acted on.

"Article: To see if the municipality will vote to authorize the district to assume full responsibility for amortizing the following listed indebtedness now outstanding in the school administrative units planning to form the school administrative district." (The list must include the name of the obligated school administrative unit, type of obligation, amount unpaid, interest rate and the payment schedule for all outstanding school indebtedness of all the school administrative units comprising the school administrative district under consideration.)

F. If a school administrative district is to be formed under this section, or if the proposed school administrative district plans to contract with a designated private school for the education of its students in grades 9 through 12, voters shall act on the following article.

"Article: To see if the municipality will vote to join with the municipalities of (naming them) to form a school administrative district, which district is hereby authorized and directed to accept the contract offer of for the schooling of pupils in grades 9 through 12."

7. **Majority vote.** Approval of each article shall be by a majority vote of those voting in each municipality on each article.

8. **Special provision for community school districts.** A community school district may be changed to a school administrative district if each municipality within the district acts affirmatively on the following articles.

A. Existing community school districts may become school administrative districts on approval of the state board and may suspend operation as a community school district if each of the participating municipalities acts affirmatively on an article similar in form to the following, prior to accepting the other articles required in this section.

"Article: To see if the municipality will vote to authorize the (name) Community School District, of which this municipality is a part, to suspend operation as a community school district and organize and operate as a school administrative district in accordance with action on the following article."

B. Municipalities, including all of those participating in an existing community school district, may form a school administrative district on approval of the state board and suspend the operation of the community school district if each of the participating municipalities acts affirmatively on an article similar in form to the following, and acts affirmatively on each of the other articles required in this section.

"Article: To see if the municipality will vote to authorize the suspension of the (name) Community School District in order to organize and operate as a part of a larger school administrative district."

C. In approving one of these articles, all acts of a community school district in contracting their indebtedness shall be ratified and confirmed.

D. The board of directors of the school administrative district shall pay to the trustees of the former community school district within their jurisdiction sufficient funds each year to amortize all outstanding capital indebtedness existing at the time the community school district was suspended.

Sec. 8. 20-A MRSA §1203, as repealed by PL 2007, c. 240, Pt. XXXX, §8, is reenacted to read:

§1203. Issuance of a certificate of organization

Certificates of organization shall be issued as follows.

1. **Report of vote.** The clerks of the municipalities which have voted on the questions regarding the formation of the school administrative district shall report to the state board the results of the vote in a manner determined by the state board.

2. **Finding recorded.** If the state board finds that a majority of voters in each school administrative unit forming the school administrative district have voted in favor of each of the articles of formation, elected the necessary school directors and taken all other necessary steps in the formation of the proposed school administrative district in conformity with law, the state board shall make and record its finding that the school administrative district is in compliance.

3. **School administrative district number assigned.** The state board, having made its finding, shall assign a number to each school administrative district in the order of their formation. The official title of the school administrative district shall be "School Administrative District No....."

4. **Certificate of organization.** The state board shall, immediately after making its finding, issue a certificate of organization.

5. **Certificate issued, filed and recorded.** The original certificate shall be delivered to the school directors on the day that they organize and a copy, attested by the secretary of the state board, shall be filed and recorded in the office of the Secretary of State.

6. Issuance of certificate evidence of organization. The issuance of the certificate shall be conclusive evidence of the lawful organization of the school administrative district.

Sec. 9. 20-A MRSA §1204, as repealed by PL 2007, c. 240, Pt. XXXX, §9, is reenacted to read:

§1204. Transfer of property and assets

The transfer of school property and assets shall be as follows.

1. Board of directors. The directors of a school administrative district shall determine what school property of the municipalities and former school administrative units in their district are necessary to carry out the functions of their district and:

A. Request in writing that the school board of each school administrative unit or the municipal officers transfer title of their school property and buildings to the school administrative district; or

B. Assume all the duties and liabilities under lease agreements with the Maine School Building Authority if the title is held by the authority.

2. Transfer. The school board or municipal officers shall make the transfer notwithstanding any other provision in the charter of the school administrative unit or municipality or other provision of law.

3. Maine School Building Authority. The Maine School Building Authority, on the completion of all rental payments and other conditions in the lease, shall transfer the title to the school administrative district notwithstanding any provision in the lease or other provision of the law.

4. Financing assumed debts. If a school administrative district has assumed the outstanding indebtedness of a former school administrative unit:

A. The directors of the school administrative district may, notwithstanding any other statute or any provision of any trust agreement, use any sinking fund or other money set aside by the school administrative unit to pay off the indebtedness for which the money was dedicated;

B. The municipality within a school administrative district may, by vote of its voters, raise, appropriate and transfer money to the school administrative district solely for school construction purposes; and

C. A municipality, within a proposed school administrative district that has applied to the state board, may, by vote of its voters, raise and appropriate money for school construction purposes to be transferred to the proposed school administrative district, if and when the district takes over the operation of the public school within its jurisdiction.

The municipality may only withdraw this appropriation:

(1) If the formation of the district fails to be approved by the municipalities within the district or by the state board;
or

(2) If 9 months or more after the original vote, the electorate of the town vote to withdraw the appropriation.

Sec. 10. 20-A MRSA §1205, as repealed by PL 2007, c. 240, Pt. XXXX, §10, is reenacted to read:

§1205. Operational date and transfer of authority

The operational date and transfer of authority of a school administrative district shall be as follows.

1. Operational date. A school administrative district shall become operative on the date set by the state board as provided in section 1253.

2. Transfer of governing authority. The school directors shall, on the date established in subsection 1, assume responsibility for the management and control of the public schools within the former school administrative units within the district and these former school administrative units on that date have no further responsibility for the operation or control of the public schools within the district.

3. Transfer of school accounts. Notwithstanding section 15004 or any charter of a community school district or coterminous district, the balance remaining in the school accounts of the municipalities, community school district or coterminous school districts within the school administrative district shall be paid to the treasurer of the district in equal monthly installments over the remainder of the fiscal year in which the district is formed.

4. Teacher contracts. The contracts between the municipalities within the district and all teachers shall automatically be assigned to the school administrative district as of the date the district becomes operative. The district shall assign teachers to their duties and make payments upon their contracts.

5. Superintendent contracts. The contracts between the superintendents and municipalities within the district shall be transferred to the school administrative district. The board of directors shall determine the superintendents' duties within the district and pay that proportion of the salaries paid for by the former school administrative units in the district.

Sec. 11. 20-A MRSA §1305-C, as enacted by PL 2007, c. 240, Pt. XXXX, §11, is repealed.

Sec. 12. 20-A MRSA c. 103, sub-c. 6, as repealed by PL 2007, c. 240, Pt. XXXX, §12, is reenacted to read:

SUBCHAPTER 6

REORGANIZATIONS

§1401. Additions

A municipality not originally in a school administrative district may be included as follows.

1. Application. The board of directors of the municipality wishing to join with an existing school administrative district may file an application with the commissioner on a form to be provided by him.

A. The commissioner shall study the need for the municipality to join the school administrative district and recommend an agreement by which the municipality may become a member.

B. The agreement may contain a new method of sharing costs among the member municipalities of the district in accordance with section 1301. The article set out in section 1202, subsection 6, paragraph D, authorizing units to vote on alternate methods of sharing costs shall be used if the agreement recommended by the commissioner contains a provision for using one of the alternate methods of sharing costs.

C. This agreement shall be forwarded to the secretary of the school administrative district and to the clerk of the municipality desiring to join the district.

2. First meeting. Within 45 days after receipt of the agreement by the municipal clerk, a regular or special town meeting or city election in the joining municipality, shall vote on the agreement. The vote shall conform to the following procedure.

A. The article voted on shall be:

"Article: Shall the municipality vote to join School Administrative District No..... as a participating municipality of the district subject to the terms and conditions of the agreement prepared by the commissioner dated 19..?"

Yes No"

(A copy of the agreement shall be posted with each warrant.)

B. The election of the directors and the vote on the agreement shall be conducted on the same day. This election shall follow the procedures used for the election of municipal officials by the municipality.

C. The vote on the agreement shall be called using the same methods as the municipality uses in conducting its business at regular or special town meetings or city elections.

D. If the municipality is organized under a special legislative charter, it shall call a referendum following the procedures outlined in its charter.

E. The municipal clerk shall send a certified copy of the results of the vote to the secretary of the school administrative district.

3. Second meeting. If the board of directors finds that the vote was in the affirmative, the board shall call a district referendum within 45 days in accordance with sections 1351 to 1354 to vote on the following article.

Article: Shall the district vote to admit the municipality of(name the municipality) into School Administrative District No..... as a participating municipality of the district subject to the terms and conditions of the agreement prepared by the commissioner dated 19.....?

Yes No"

(A copy of the agreement shall be posted with each warrant.)

A. The municipal clerks within the district shall forward to the commissioner a certified report of the total number of affirmative and negative votes cast on the article.

B. On receipt of the results of the voting from all municipalities, the commissioner shall compute and record the result of the voting.

4. Commissioner finding. If the commissioner finds that a majority of the voters of the district and a majority of the voters of the municipality favor admission of the municipality into the district, he shall make a finding to that effect.

A. The commissioner shall notify by registered mail the clerk of the municipality seeking to join the school administrative district and the secretary of the school administrative district of the results of the vote.

B. If the commissioner's finding is that a majority is for joining, he shall issue an amended certificate for the school administrative district, which shall be filed in the same manner as the original certificate.

5. Certificate. The issuance of an amended certificate shall be conclusive evidence of the admission of that municipality to the school administrative district.

§1402. Combining of districts

If one school administrative district wishes to join with another school administrative district, the following procedure shall be used.

1. Application. Each district's board of directors shall file an application with the commissioner on a form to be prepared by him.

A. The commissioner shall receive the applications, make a study of the necessity for combining the districts and recommend an agreement by which the districts may combine.

B. This agreement shall be forwarded to the secretary of each school administrative district.

2. Meeting. Within 45 days after receipt of the agreement each district's board of directors shall call a district meeting in accordance with sections 1351 to 1354 to vote on the following article.

"Article To see if School Administrative District No.... will vote to join School Administrative District No.... in a merger to form a larger district subject to the terms and conditions of the agreement prepared by the commissioner dated 19.....

Yes No"

(A copy of the agreement shall be posted with each warrant.)

3. Return. The secretary of each school administrative district shall file a return with the commissioner immediately following the votes in the district on the question of merger.

4. Commissioner's finding. If the commissioner finds that a majority of the voters in each district have voted in favor of the merger, he shall make a finding to the effect.

5. Notice. The commissioner shall notify by registered mail the secretary of each district of the results of the vote.

6. Certificate. If the commissioner's finding is that a majority is for merging, he shall issue a new certificate for the enlarged school administrative district and assign a number. The certificate shall be filed in the same manner as the original certificate.

7. Evidence. The issuance of the certificate by the commissioner shall be conclusive evidence of the merger of the school administrative districts.

§1403. Dissolution of a district

1. Ten percent petition. Upon receipt of a petition which seeks to dissolve a school administrative district and establishes a maximum figure for the cost of preparing a dissolution agreement signed by 10% of the number of voters in a municipality who voted at the last gubernatorial election, the municipal officers shall call and hold a special election, in the manner provided for the calling and holding of town meetings or city elections to vote on the dissolution of the school administrative district.

A. At least 10 days before the election, a posted or otherwise advertised public hearing on the petition shall be held by the municipal officers.

B. The petition must be approved by secret ballot by a 2/3 vote of the voters present and voting before it may be presented to the board of directors and the commissioner. Voting in towns shall be conducted in accordance with Title 30-A, sections 2528 and 2529, even if the towns have not accepted the provisions of Title 30-A, section 2528, and voting in cities shall be conducted in accordance with Title 21-A.

2. Form. The question to be voted upon shall be in substantially the following form:

"Article: Be it resolved by the residents of the Town of that a petition for dissolution be filed with the directors of School Administrative District No. and with the commissioner, that the dissolution committee be authorized to expend \$..... and that the (municipal officers; i.e. selectmen, town council, etc.) be authorized to issue

notes in the name of the Town of or otherwise pledge the credit of the Town of in an amount not to exceed \$..... for this purpose?

Yes No"

3. Notice of vote; finding by commissioner. If residents of a participating municipality vote favorably on a petition for dissolution, the clerk shall immediately give written notices, by registered mail, to the secretary of the school administrative district and the commissioner which shall include:

A. The petition adopted by the voters, including the positive and negative votes cast; and

B. An explanation by the municipal officers, stating to the best of their knowledge, the reason or reasons why the municipality seeks to dissolve the district.

4. Agreement for dissolution; notice; changes in agreement; final agreement. The agreement for dissolution shall comply with the following.

A. The commissioner, after consultation with the district board of directors, municipal officers of the participating municipalities, and representatives of the group which filed the petition with the municipality, shall direct the municipal officers of each municipality to select representatives to a committee as follows: One member from the municipal officers, the group filing the petition; and one member from the general public; and one member from the group filing the petition if the group is represented in the municipality, otherwise an additional one member of the general public. The commissioner shall also direct the directors representing each municipality to select one member of the board of directors who represents that municipality to serve on the committee. The municipal officer and the member of the board of directors shall serve on the committee only so long as they hold their respective offices. Vacancies will be filled by the municipal officers and board of directors. The chairman of the board of directors shall call a meeting of the committee within 30 days of the filing of the notice of the vote in subsection 3. The chairman of the board shall open the meeting by presiding over the election of a chairman of the committee. The responsibility for the preparation of the agreement shall rest with the committee, subject to the approval of the commissioner. The committee may draw upon the resources of the department for information not readily available at the local level and employ competent advisors within the fiscal limit authorized by the voters. The agreement shall be submitted to the commissioner within 90 days after the committee is formed. Extensions of time may be granted by the commissioner upon the request of the committee.

(1) The agreement shall contain provisions to provide educational services for all students in the district. The agreement shall provide that during the first year following the dissolution, students may attend the school they would have attended if the district had not dissolved. The allowable tuition rate for students sent from one municipality to another in the former school administrative district shall be determined under section 5805, subsection 1, except that it shall not be subject to the state per pupil average limitation in section 5805, subsection 2.

(2) The agreement shall establish the dissolution to take effect at the end of the district's fiscal year.

(3) The agreement shall establish that the dissolution will not cause a need within 5 years from the effective date of dissolution for school construction projects which would be eligible for state funds. This limitation does not apply where a need for school construction existed prior to the effective date of the dissolution or where a need for school construction would have arisen even if the district had not dissolved.

(4) The agreement shall establish how transportation services will be provided.

(5) The agreement shall provide for administration of the new administrative units, which should not include the creation of new supervisory units if at all possible.

(6) The agreement shall make provision for the distribution of financial commitments arising from outstanding bonds, notes and any other contractual obligations that extend beyond the proposed date of dissolution.

(7) The agreement shall make appropriate provision for the distribution of any outstanding financial commitments to the superintendent of the school administrative district.

(8) The agreement shall provide for the continuation and assignment of collective bargaining agreements as they apply to the new or reorganized school administrative unit for the duration of those agreements and shall provide for the continuation of representational rights.

(9) The agreement shall provide for the continuation of continuing contract rights under section 13201, subsection 2.

(10) The agreement shall provide for the disposition of all real and personal property and other monetary assets.

(11) The agreement shall provide for the transition of administration and governance of the schools to properly elected governing bodies of the newly created administrative units and shall provide that the governing bodies shall

not be elected simultaneously with the vote on the article to dissolve unless the commissioner finds there are extenuating circumstances which necessitate simultaneous elections.

B. Within 60 days of the receipt of the agreement, the commissioner shall either give it conditional approval or recommend changes. The changes shall be based upon the standards set forth in paragraph A and the commissioner's findings of whether the contents of the plan will provide for appropriate educational and related services to the students of the district and for the orderly transition of assets, governance, and other matters related to the district.

C. If the commissioner gives conditional approval of the agreement, he shall notify the directors and the municipal officers by registered mail of the time and place of a public hearing at least 20 days prior to the date set for the hearing, to discuss the merits of the proposed agreement of dissolution. The chairman of the board of directors will conduct the hearing.

(1) The directors shall post a public notice in each municipality of the time and location of the hearing at least 10 days before the hearing.

(2) Within 30 days following the hearing, the committee shall forward the final agreement to the commissioner.

D. If the commissioner recommends changes he shall:

(1) Send the agreement back to the committee for necessary corrections;

(1-A) Establish a maximum time within which to make the corrections; and

(2) Indicate that the corrected agreement shall be returned to the commissioner for conditional approval before it goes to public hearing as set forth in paragraph C.

5. Date of vote; notice; warrant; polling hours. The date and time for voting shall be established as follows.

A. The commissioner shall determine the date upon which all municipalities shall vote upon the dissolution agreement submitted to them. The election shall be held as soon as practicable and the commissioner shall attempt to set the date of the vote to coincide with a statewide election.

B. At least 35 days before the date set in paragraph A, the board of directors shall give written notice by registered or certified mail to the town or city clerk of each municipality having a right to vote on the dissolution agreement.

C. The town or city clerk shall immediately notify the municipal officers upon receipt of the notice, and the municipal officers shall meet and immediately issue a warrant for a special town meeting or city election, as the case may be, to be held on the date designated by the commissioner. No other date may be used.

D. In the respective warrants, the municipal officers shall direct that the polls shall be open at 10 o'clock in the forenoon and shall remain open until 8 o'clock in the afternoon.

6. Public hearing; voting procedures. The following requirements apply to the voting procedures.

A. At least 10 days before the election, a posted or otherwise advertised public hearing on the dissolution question shall be held by the municipal officers.

B. Except as otherwise provided in this section, the voting at the meetings held in towns shall be conducted in accordance with Title 30-A, sections 2528 and 2529, even if the towns have not accepted the provisions of Title 30-A, section 2528.

C. The voting at the meeting held in cities shall be conducted in accordance with Title 21-A.

7. Article. The article shall be in the following form.

"Article : Shall School Administrative District No. be dissolved subject to the terms and conditions of the dissolution agreement dated.....19.....?"

Yes..... No....."

8. Ballots; posting of agreement. The dissolution agreement need not be printed on the ballot. Copies of the agreement shall be posted in each participating municipality in the same manner as specimen ballots are posted under Title 30-A, section 2528.

9. Restriction on dissolution petitions. No participating municipality within a district may petition for dissolution within 2 years after the date of:

A. A municipal vote on a petition for dissolution if the petition received less than 60% of the votes cast; or

B. A district vote on a dissolution agreement if the agreement received less than 45% of the votes cast.

10. Costs of dissolution agreements. If the school administrative district votes to permit dissolution, then the district shall reimburse the petitioning municipality for the authorized expenses incurred by the dissolution committee. If the district votes not to permit dissolution, then the district will not be required to reimburse the petitioning municipality for those expenses.

11. Determination of vote. The town and city clerks shall, within 24 hours of determination of the result of the vote in their respective municipalities, certify the total number of votes cast in the affirmative and the total number of votes cast in the negative on the article to the board of directors.

12. Determination of results; notification of commissioner; execution of agreement. Determination of results shall comply with the following.

A. Upon receipt of the results of the voting from all municipalities, the board of directors shall meet and shall compute and record the total number of votes cast in the municipalities in the affirmative and in the negative on the dissolution article.

B. The board of directors shall notify the commissioner by registered mail or by hand delivery of the results of the vote.

C. If the commissioner finds that a majority of the voters voting on the article have voted in the affirmative, he shall notify the directors of the district to take steps to dissolve the district in accordance with the terms of the agreement for dissolution.

13. Recount; checklists and ballots; disputed ballots. The following provisions apply to recounts, checklists, ballots and disputed ballots.

A. If, within 7 days of the computation and recording of the results of the voting from all municipalities, the municipal officers of any participating municipality request to the commissioner in writing a recount of the votes in the district, the commissioner shall immediately cause the checklists and all the ballots cast in all of the participating municipalities to be collected and kept at the commissioner's office so they may be recounted by interested municipalities.

B. The town clerks of the participating municipalities are authorized to deliver the checklists and ballots to the commissioner, notwithstanding any other provision of law to the contrary.

C. The commissioner shall resolve any question with regard to disputed ballots.

14. Execution of agreement; certified record; certificate of withdrawal. When the agreement for dissolution has been put in effect by the directors of the school administrative district, the directors shall notify the commissioner by certified mail that the agreement of dissolution has been executed.

A. A complete certified record of the transaction involved in the dissolution shall be filed with the commissioner.

B. The commissioner shall immediately issue a certificate of dissolution to be sent by certified mail for filing with the directors of the school administrative district and shall file a copy in the office of the Secretary of State.

15. Indebtedness; indebtedness defined; indebtedness after dissolution. The following provisions apply to outstanding indebtedness.

A. Whenever a district having outstanding indebtedness dissolves, the district shall remain intact for the purpose of securing and retiring the indebtedness; the dissolution agreement may provide for alternate means for retiring outstanding indebtedness.

B. "Outstanding indebtedness" means bonds or notes for school construction projects issued by the board of directors pursuant to the authorization established under chapter 609 or Title 20, sections 3457 to 3460 or obligations to the Maine School Building Authority pursuant to any contract, lease or agreement made by the board of directors pursuant to approval thereof in a district meeting of the school administrative district, but does not include any indebtedness of any municipality assumed by the school administrative district at the time of formation nor any contract, lease or agreement of the Maine School Building Authority to which by operation of law the school administrative district has become the assignee.

16. General purpose aid. When a school administrative district dissolves, the general purpose aid for the individual municipalities must be computed in accordance with chapter 606-B.

17. Committee recall. If the commissioner determines that the dissolution committee has failed to comply with the requirements of this section, he may authorize the municipal officers and the district's board of directors to recall their representatives and to appoint new representatives to the committee.

§1404. Reorganization of a school administrative district as a community school district

1. Petition for reorganization. The residents of a municipality within a school administrative district may petition for dissolution of the school administrative district and reorganization as a community school district, which will operate grades 9 to 12 and any combination of kindergarten through grade 8 in accordance with chapter 105, in the manner authorized by section 1403 for dissolution of a district. The articles to be voted upon shall clearly set forth that a community school district will be formed upon the dissolution of the school administrative district.

2. Vote required. If the commissioner is petitioned pursuant to the authority of subsection 1, the board of directors of the school administrative district shall require the member municipalities of the district to vote on an article which shall be substantially as follows.

"Article: Shall School Administrative District No. be dissolved subject to the terms and conditions of the dissolution agreement dated 19, and the towns of form a community school district which shall be responsible for the operation of grades?"

Yes No"

3. Governing body of community school district. A school administrative district which dissolves and simultaneously forms a new community school district pursuant to this section shall have a single governing body which shall consist of a school committee performing all of the duties of the school committee and the board of trustees set forth in chapter 105.

4. Commissioner. The commissioner shall carry out his duties under sections 1403 and 1602 regarding the dissolution of a school administrative district and the creation of a new community school district, except that the municipal officers and the board of directors shall be responsible for developing a plan to provide for the continuity of the educational program for each municipality to be included within the dissolution agreement.

5. Outstanding indebtedness of the school administrative district and liability of the community school district. If a school administrative district is dissolved and a community school district is formed, the community school district shall become liable for the school administrative district's outstanding indebtedness as defined in section 1403, except as otherwise provided for in subsection 6.

6. Outstanding indebtedness of school administrative district; liability of individual municipalities. If the school administrative district is dissolved and the ensuing community school district does not include all grades kindergarten through 12, each member municipality shall be individually liable for any outstanding indebtedness which the school administrative district had relative to the grades which will be operated exclusively by that municipality or as otherwise provided for in the dissolution agreement.

7. General purpose aid. When a school administrative district dissolves and a new community school district is formed, the general purpose aid for the community school district and the individual municipalities shall be computed in accordance with chapter 605.

§1405. Withdrawal of a single municipality from a school administrative district

1. Petition. The residents of a participating municipality within a school administrative district composed of 3 or more municipalities may petition to withdraw from the district in the same manner as they would petition for the dissolution of a school administrative district in accordance with section 1403, except that only a simple majority vote of those casting valid ballots in the municipality is required before the petition may be presented to the board of directors and to the commissioner.

2. Procedure. The steps set forth in section 1403 for dissolution apply to the withdrawal of a member municipality from a school administrative district, except that:

A. The responsible committee for preparing the withdrawal agreement shall be limited to individuals from the municipality;

B. Instead of a district election, a municipal election shall be conducted and a 2/3 vote of those casting valid ballots in the municipality is required before it may withdraw;

C. Wherever there is reference in section 1403 to the term "dissolution," or other terms not consistent with withdrawal, the term "withdrawal" or other appropriate language shall be substituted;

D. All public hearings required under section 1403 shall be conducted by the municipal officers; and

E. A municipality may not petition for withdrawal within 2 years after the date of:

(1) A municipal vote on a petition for withdrawal if the petition received less than 45% of the votes cast; or

(2) A municipal vote on a withdrawal agreement if the agreement received less than 60% of the votes cast.

3. Cost of advisors. The expense of employing competent advisors by the municipality petitioning to withdraw shall be borne by the municipality and the expense of employing competent advisors by the district shall be borne by the district with the municipality bearing its share according to the district's cost-sharing agreement.

4. Commissioner recommended dissolution. The commissioner's responsibilities to initiate dissolution proceedings are as follows.

A. If a member town representing more than 50% of the total population in a district votes to withdraw from the district, then the commissioner shall analyze the educational impact of the town's withdrawal upon the district. The district's board of directors and the municipal officers from the remaining towns shall be consulted.

B. If the commissioner finds that it is impractical for the remaining towns to continue as a district, then he shall initiate the dissolution process set out in section 1403 by having the district submit the following article to the voters at a district meeting called in accordance with sections 1351 to 1354.

"Article: Be it resolved by the voters of School Administrative District No. that a dissolution committee be appointed and authorized to expend \$....., and the directors of School Administrative District No. be authorized to issue notes or otherwise pledge the credit of School Administrative District No. in an amount not to exceed \$..... for this purpose?

Yes No"

C. If the voters approve the article by a majority vote of those voting and present, then the rest of the dissolution process set forth in section 1403 shall apply except:

(1) A 2nd member from the general public shall be selected by the municipal officers to fill the position on the dissolution committee normally held by a representative of the group which would have filed the dissolution petition; and

(2) Costs of preparing a dissolution agreement shall be borne solely by the district.

5. Transfer of property. The district's board of directors may negotiate with the withdrawal committee regarding an equitable division of the district's property between the district and the municipality represented by the committee and transfer title of the property to the municipality following withdrawal. The board of directors shall determine that the district's educational program shall not be disrupted solely because of the transfer of any given property before it may complete the transfer.

§1406. Transfer of a municipality from one school administrative district to another

1. Petition to commissioner. The board of directors of 2 school administrative districts may petition the commissioner by joint resolution to permit a municipality to transfer from one school administrative district to another, provided that that municipality is being transferred to a district contiguous to the municipality.

2. Transfer agreement. The boards of directors of the 2 districts and the municipal officers of the municipality involved shall form a committee to prepare a transfer agreement within 60 days after being notified by the commissioner to prepare the agreement. Extensions of time may be granted by the commissioner.

A. The committee shall consider the standards set forth in section 1403, subsection 4, paragraph A in preparing the agreement.

B. The approval process for the agreement shall follow the steps set forth in section 1403, subsection 4 to subsection 16.

C. The following question shall appear on the ballot when the transfer of a municipality is considered.

"Article: Shall School Administrative District No. vote to permit the municipality of to transfer into School Administrative District No. as a participating municipality of that district subject to the terms and conditions of the agreement of transfer approved by the commissioner dated 19.....?

Yes No"

(A copy of the agreement shall be posted with each warrant which directs the citizens to vote upon the question.)

D. The article must be approved by a majority of votes cast in both districts and by a majority of votes cast in the municipality to be transferred before the agreement may take effect.

E. A complete certified record of the transaction involved in the transfer shall be filed with the commissioner. He shall issue immediately a certificate of transfer to the secretary of each school administrative district by registered mail to be filed with the directors of the districts involved and shall file a copy of the certificate of transfer in the office of the Secretary of State.

3. Outstanding indebtedness. Whenever a municipality, or a part of a municipality, is detached from a district having outstanding indebtedness, the municipality or part of a municipality shall remain as part of the district from which it was detached for the purposes of paying its proper portion of such indebtedness until the indebtedness shall be redeemed. The municipality or part of a municipality shall not be part of the district from which it was detached for the purpose of any outstanding indebtedness incurred subsequent to the date of the certificate of transfer.

§1407. Closing an elementary school

1. Vote; cost of election. An elementary school in a member municipality of a school administrative district may not be closed pursuant to section 4102, subsection 3 unless the voters in the member town vote on the following article in accordance with the procedure set forth in sections 1351 to 1354.

"Article Shall the board of directors of School Administrative District No. be authorized to close
..... (name of school)?

Yes No"

(The election must be conducted only within that member municipality, and the costs of the election are borne by the district.)

2. Expense of keeping the school open. If the voters vote to keep the school open, the member municipality is liable for some additional expense for actual local operating costs and transportation operating costs as defined in section 15672. The determination of costs is subject to the approval of the commissioner. The cost to be borne by the town voting to keep an elementary school open is the amount that would be saved if the school were closed. Any additional costs that must be borne by the member municipality must be part of the article presented to the voters at the meeting to determine whether the school should remain open.

3. Costs and procedures during subsequent years. During any year subsequent to the year during which an elementary school remains open contrary to the school administrative district board of director's vote to close that elementary school, as a result of a municipal referendum, the elementary school will be open without any additional cost to the municipality except as described in paragraphs A and B.

A. If the school administrative district board of directors again vote to close the elementary school and the voters of the member municipality again vote to keep the elementary school open, as described in this paragraph, then the elementary school will remain open and the member municipality will be obligated to pay the additional costs as described in subsection 2.

B. If the school administrative district board of directors again votes to close the elementary school and the voters of the member municipality fail to vote to keep the elementary school open, then the elementary school is closed. In this event, the elementary school may be reopened only if the school administrative district board of directors vote to reopen the school.

4. Definition of elementary school closing. In this section, an elementary school closing shall be any action or actions by the school administrative district that have the effect of providing no instruction for any students at that elementary school.

5. Method of payment by liable municipality. If a municipality is liable for additional expenses as determined in subsection 1, paragraph B, then the amount of this additional expense shall be subtracted from the school administrative district budget before each member municipality's assessment is computed. This additional expense shall be paid by the member municipality which is liable in equal monthly amounts, unless the school administrative district and that member municipality mutually agree to another method of payment.

§1408. State board review of commissioner's decisions

A school administrative unit or other interested parties may request that the state board reconsider decisions made by the commissioner under this subchapter. The state board may have the authority to overturn decisions made by the commissioner. In exercising this power, the state board is limited by this subchapter.

§1409. Rules

The state board may adopt rules to carry out this subchapter.

Sec. 13. 20-A MRSA c. 103-A, as amended, is repealed.

Sec. 14. 20-A MRSA §1602, as repealed by PL 2007, c. 240, Pt. XXXX, §14, is reenacted to read:

§1602. Formation

A community school district may be formed by the residents of 2 or more municipalities only if the voters of each of those municipalities have voted to create the district.

1. Municipal vote. If the school board of each municipality's school administrative unit votes to join with another municipality to form a community school district, then the municipal officers of each municipality shall call a meeting of the voters of their respective municipality in a manner provided by law for the calling of town meetings. Those meetings shall vote to either favor or oppose articles in substantially the following forms.

A. "Article: To see if the municipality of (name) will vote to join with the municipalities of (naming them) to form a community school district to be known as Community School District which shall be responsible for the operation of grades (naming them)."

B. "Article: To see if the costs of operating Community School District shall be shared among the municipalities of (naming them) in accordance with (per student, state valuation, a combination thereof or any other formula authorized by the Legislature)."

C. "Article: To see if the municipality of (name) will vote to have the community school district's school committee perform the duties of the board of trustees."

2. State board declaration. Each municipal clerk shall file a return of the votes cast at the meeting with the state board. If the state board determines that a majority of those voting in each of the municipalities favored the articles in subsection 1, paragraphs A and B, then the state board shall so declare. With the declaration, the commissioner shall issue to the community school district a certificate of organization which shall be conclusive evidence of its lawful organization. The community school district shall bear the name voted on.

3. Petition to reorganize to rename. The district school committee may petition the state board to change the name of the community school district or to change the number of grades which the community school district is responsible for operating.

A. The state board shall authorize the change if it finds the change to be in the best interest of the community school district.

B. If the State Board of Education authorizes the change, then the governing body of the community school district shall notify the municipal officers in each of the member towns who shall call a meeting of the inhabitants of their respective towns in the manner provided by law for calling of town meetings and those meetings shall vote to favor or oppose articles in substantially the following forms.

(1) "Article: To see if the town will vote to authorize the Community School District to change its name to Community School District."

(2) "Article.....: To see if the town will vote to authorize the Community School District to be responsible for the operation of grades"

C. The clerk in each of the member towns shall file a return of the votes cast in the town meeting with the state board. If the state board finds that a majority of those voting in each of the towns favor the articles, then the community school district shall be reorganized accordingly.

4. Board to file return. Whenever the community school district is reorganized in the manner authorized in subsection 3 or under section 1751, the board of trustees shall file a return to that effect with the state board. A copy, certified by the commissioner, of the return shall be conclusive evidence of the reorganization of the community school district.

Sec. 15. 20-A MRSA §1604, as repealed by PL 2007, c. 240, Pt. XXXX, §15, is reenacted to read:

§1604. Transition to new district

1. Transfer of contracts. At the start of the school year after organization:

A. The contracts between the municipalities within the community school district and all teachers shall automatically be assigned to the community school district and the district shall be responsible for assigning teachers to their duties and making payments on their contract; and

B. The contracts between the superintendents and municipalities within the community school district shall automatically be assigned to the district.

(1) The superintendents' duties with regard to the community school district shall be determined by the district school committee.

(2) The community school district shall thereafter pay the proportionate part of the superintendents' salary that the municipalities were liable to pay.

2. Transfer of assets. Each municipality within the community school district, at the same time, shall transfer to the district:

A. All school supplies and equipment purchased for and in use by the school grades encompassed by the community school district formation; and

B. All real property, as requested by the district school committee, which was formerly used for the school grades encompassed by the district formation. The municipal officers shall execute quitclaim deeds for the transfer of real property requested by the district school committee.

3. Initial budget. The district school committee shall be responsible for preparing and submitting a budget to the voters, as authorized by section 1701, prior to the start of the first year.

4. Operational date. At the start of the school year after organization, the community school district shall become operative and the district school committee shall assume the sole management and control of the operation of all the public schools within the community school district for the authorized grade levels. It shall also adopt bylaws and an official seal.

Sec. 16. 20-A MRS §1701-C, as enacted by PL 2007, c. 240, Pt. XXXX, §16, is repealed.

Sec. 17. 20-A MRS §1751, as repealed by PL 2007, c. 240, Pt. XXXX, §17, is reenacted to read:

§1751. Additions to, dissolution of and withdrawal from a district

1. Additions. The inhabitants of any territory within any town, not originally in the district, may be included upon vote of all towns concerned in a manner similar to that prescribed for establishing the community school district in section 1602 under such terms and arrangements as may be recommended by the community school district's school committee.

2. Dissolution. The residents of a participating municipality within a community school district may petition and vote to dissolve the district in the same manner as a participating municipality within a school administrative district may petition and vote to dissolve a school administrative district in accordance with section 1403.

3. Withdrawal. The residents of a participating municipality within a community school district may petition and vote to withdraw from the district in the same manner as a participating municipality within a school administrative district may petition to withdraw in accordance with section 1405.

4. Transfer. The school committees of 2 community school districts may permit the transfer of a municipality from one community school district to another in the same manner the boards of directors of 2 school administrative districts may permit a transfer in accordance with section 1406.

5. Closing elementary school. If a community school district includes elementary grades, the closing of an elementary school in a member municipality pursuant to section 4102, subsection 3 must follow the procedures established in section 1407 for closing an elementary school in a member municipality in a school administrative district.

6. Substitution of terms. Whenever there is reference in sections 1403 and 1405 to 1407 to a school administrative district, for purposes of this section, the term "community school district" shall be substituted. Other terms consistent with the intent of subsections 2 to 5, to allow municipalities to withdraw or transfer from or to dissolve the district or keep a municipal elementary school open, may also be substituted as necessary.

Sec. 18. 20-A MRS §1901, as repealed by PL 2007, c. 240, Pt. XXXX, §18, is reenacted to read:

§1901. Formation

1. Commissioner's authority. The commissioner shall adjust the grouping of school administrative units within the State in accordance with this section.

2. Size. A school union shall include not less than 35 nor more than 75 teachers unless the commissioner, upon request of a school board, finds that because of geographic location or other reasons, it is to the advantage of the State and the municipalities that a school union shall include fewer than 35 or more than 75 teachers.

3. Combining unions. On presentation of a written plan of organization which has been approved by the school boards involved, the commissioner may combine 2 or more school unions, or their parts, into a larger school union.

A. The new school union shall be administered by a superintendent of schools and staff assistants, who may be employed by the union committee as provided in section 1051.

B. The commissioner may adjust disbursements for supervision so that there will be no loss in state support because of the reorganization.

4. Exception for existing school unions with over 35 teachers. Existing school unions employing over 35 teachers shall not be regrouped unless the proposed regrouping has been approved by a majority of the school board members in the school administrative units involved.

5. School administrative units with more than 75 teachers. A school administrative unit with more than 75 teachers may employ a superintendent of schools without uniting with other school administrative units for this purpose.

A. The school administrative unit shall elect a superintendent in the same manner and for the same term, fix the salary and discharge the superintendent under the same conditions as superintendents employed under sections 1051 to 1054.

B. Annually and whenever a new superintendent is elected, the chairman and secretary of the school board shall certify to the commissioner, on the prescribed forms, all facts relative to the employment of the superintendent, including the amount of the salary to be paid.

6. Removal. If a school administrative unit having more than 75 teachers removes itself from an existing school union composed of not more than 2 units, the remaining unit shall, with the consent of its school board and the commissioner, be treated as though it had more than 75 teachers, provided that the remaining unit has more than 40 teachers.

7. Exception for remote administrative units. If the commissioner finds that a school administrative unit is remotely situated and that it is not practicable to combine it with other school administrative units for the purpose of employing a superintendent, the commissioner may place at the service of the school board of that unit the general agent for the schooling of the children in unorganized townships, or any other agent of the commissioner.

A. That agent shall, when assigned, serve as the superintendent of the school administrative unit. The agent shall have the same powers and shall perform the same service as superintendents of schools of municipalities. The agent's visits to the schools of the school administrative unit shall be at intervals as directed by the commissioner.

B. The treasurer of the school administrative unit shall pay to the agent a sum agreed upon by the agent and that school administrative unit. In case of dispute, the commissioner shall determine the amount to be paid.

8. Exception for school administrative unit with fewer than 35 teachers. If, because of geographic location or other circumstances, it is not practicable to combine a school administrative unit or a school union employing less than 35 teachers with other school administrative units to form a school union, the school board may provide supervisory service, when approved by the commissioner. The school administrative unit or school union may provide for supervisory services by:

A. Employing a qualified person to serve as superintendent and as a supervising principal;

B. Contracting with another school administrative unit or school union for supervisory services; or

C. Employing a qualified agent to fulfill supervisory needs.

Sec. 19. 20-A MRSA §2101, sub-§1, as repealed by PL 2007, c. 240, Pt. XXXX, §19, is reenacted to read:

1. Establishment. If a union school is desired, the municipalities shall apply to the commissioner. The commissioner shall prepare an agreement setting out the terms and conditions under which a union school may operate.

Sec. 20. 20-A MRSA §2101, sub-§2, as repealed by PL 2007, c. 240, Pt. XXXX, §20, is reenacted to read:

2. Approval. Before a union school may operate, each municipality shall approve the agreement by an affirmative vote acting under an appropriate article at a regular or special town meeting or city election.

Sec. 21. 20-A MRSA §2307, as enacted by PL 2007, c. 240, Pt. XXXX, §21, is repealed.

Sec. 22. 20-A MRSA c. 114, as amended, is repealed.

Sec. 23. 20-A MRSA §4102, last ¶, as enacted by PL 2007, c. 240, Pt. XXXX, §23, is repealed.

Sec. 24. 20-A MRSA §15671-A, sub-§2, ¶B, as amended by PL 2007, c. 240, Pt. XXXX, §24, is further amended to read:

B. For property tax years beginning on or after April 1, 2005, the commissioner shall calculate the full-value education mill rate that is required to raise the statewide total local share. The full-value education mill rate is calculated for each fiscal year by dividing the applicable statewide total local share by the applicable statewide valuation. The full-value education mill rate must decline over the period from fiscal year 2005-06 to fiscal year 2008-09 and may not exceed 9.0 mills in fiscal year 2005-06 and may not exceed 8.0 mills in fiscal year 2008-09. The full-value education mill rate must be applied according to section 15688, subsection 3-A, paragraph A to determine a municipality's local cost share expectation. Full-value education mill rates must be derived according to the following schedule.

(1) For the 2005 property tax year, the full-value education mill rate is the amount necessary to result in a 47.4% statewide total local share in fiscal year 2005-06.

(2) For the 2006 property tax year, the full-value education mill rate is the amount necessary to result in a 46.14% statewide total local share in fiscal year 2006-07.

(3) For the 2007 property tax year, the full-value education mill rate is the amount necessary to result in a 45.56% statewide total local share in fiscal year 2007-08.

~~(4) Except as provided in subparagraph (6), for~~ For the 2008 property tax year ~~and subsequent tax years~~, the full-value education mill rate is the amount necessary to result in a 45.0% statewide total local share in fiscal year 2008-09 ~~and after~~.

~~(6) For school administrative units that do not conform to the requirements of chapter 103-A for the 2009 property tax year, the full-value education mill rate is the amount necessary to result in a 46.14% statewide total local share in fiscal year 2009-10 and after.~~

Sec. 25. 20-A MRSA §15680, sub-§1, ¶A, as amended by PL 2007, c. 240, Pt. XXXX, §25, is further amended to read:

A. System administration. The per-pupil amount for "system administration" is the actual system administration expenditures, as defined in the State's accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, less revenues to system administration for services to other governments and refunds from a statewide school management association, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index. ~~Beginning in school year 2008-2009, this per-pupil amount must be based on school year 2005-2006 system administration expenditures then reduced by 50% and inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index;~~

Sec. 26. 20-A MRSA §15680, sub-§1, ¶B, as amended by PL 2007, c. 240, Pt. XXXX, §26, is further amended to read:

B. Operation and maintenance of plant. The per-pupil amount for "operation and maintenance of plant" is the actual operation and maintenance of plant expenditures, as defined in the State's accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index. ~~For school year 2008-2009, the resulting per-pupil amount must be reduced by 5%;~~

Sec. 27. 20-A MRSA §15681-A, sub-§2-A, as enacted by PL 2007, c. 240, Pt. XXXX, §27, is repealed.

Sec. 28. 20-A MRSA §15681-A, sub-§3-A, as enacted by PL 2007, c. 240, Pt. XXXX, §28, is repealed.

Sec. 29. 20-A MRSA §15688, sub-§2, as amended by PL 2007, c. 240, Pt. XXXX, §29, is further amended to read:

2. Member municipalities in school administrative districts or community school districts; total costs. For each municipality that is a member of a school administrative district, ~~or~~ community school district ~~or regional school unit~~, the commissioner shall annually determine each municipality's total cost of education. A municipality's total cost of education is the school administrative district's, ~~or~~ community school district's ~~or regional school unit's~~ total cost of education multiplied by the percentage that the municipality's most recent calendar year average pupil count is to the school administrative district's, ~~or~~ community school district's ~~or regional school unit's~~ most recent calendar year average pupil count.

Sec. 30. 20-A MRSA §15688, sub-§3-A, as amended by PL 2007, c. 240, Pt. XXXX, §30, is further amended to read:

3-A. School administrative unit; contribution. For each school administrative unit, the commissioner shall annually determine the school administrative unit's required contribution, the required contribution of each municipality that is a member of the unit, if the unit has more than one member, and the State's contribution to the unit's total cost of education in accordance with the following.

A. For a school administrative unit composed of only one municipality, the contribution of the unit and the municipality is the same and is the lesser of:

- (1) The total cost described in subsection 1; and
- (2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.

B. ~~Except as provided in paragraph B-1, for~~ For a school administrative district, ~~or~~ community school district ~~or regional school unit~~ composed of more than one municipality, each municipality's contribution to the total cost of education is the lesser of:

- (1) The municipality's total cost as described in subsection 2; and
- (2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.

~~B-1. For a regional school unit, if the amount calculated pursuant to paragraph B is less than 2 mills multiplied by the property fiscal capacity of the municipality, the municipality's contribution to the total cost of education is an amount equal to 2 mills multiplied by the property fiscal capacity of the municipality. The difference in the amount calculated~~

~~pursuant to paragraph B and the amount calculated pursuant to this paragraph, which amount may not be less than zero, must be used to proportionally lower the local contribution in the remaining municipalities.~~

C. For a school administrative district, ~~or~~ community school district ~~or a regional school unit~~ composed of more than one municipality, the unit's contribution to the total cost of education is the lesser of:

- (1) The total cost as described in subsection 1; and
- (2) The sum of the totals calculated for each member municipality pursuant to paragraph B, subparagraph (2), ~~plus the total calculated pursuant to paragraph B-1 if applicable.~~

D. The state contribution to the school administrative unit's total cost of education is the total cost of education calculated pursuant to subsection 1 less the school administrative unit's contribution calculated pursuant to paragraph A or C, as applicable. The state contribution is subject to reduction in accordance with section 15690, subsection 1, paragraph C.

Sec. 31. 20-A MRSA §15690, sub-§1, ¶B, as amended by PL 2007, c. 240, Pt. XXXX, §31, is further amended to read:

B. For a school administrative district, ~~or~~ a community school district ~~or a regional school unit~~, an article in substantially the following form must be used when the school administrative district, ~~or~~ community school district ~~or regional school unit~~ is considering the appropriation of an amount up to its required contribution to the total cost of education as described in section 15688.

(1) "Article: To see what sum the district will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and to see what sum the district will raise and assess as each municipality's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688 (Recommend amount set forth below):

Total Appropriated (by municipality):	Total raised (district assessments by municipality):
Town A (\$amount)	Town A (\$amount)
Town B (\$amount)	Town B (\$amount)
Town C (\$amount)	Town C (\$amount)
School District	School District
Total Appropriated	Total Raised
(\$sum of above)	(\$sum of above)"

(2) The following statement must accompany the article in subparagraph (1). "Explanation: The school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that the district must raise and assess in order to receive the full amount of state dollars."

Sec. 32. 20-A MRSA §15691-A, as enacted by PL 2007, c. 240, Pt. XXXX, §32, is repealed.

Sec. 33. 20-A MRSA §15696, as enacted by PL 2007, c. 240, Pt. XXXX, §33, is repealed.

Sec. 34. 20-A MRSA §15755, as repealed by PL 2007, c. 240, Pt. XXXX, §34, is reenacted to read:

§15755. Entitlement

The State's school administrative units and municipalities are entitled to the appropriations required by this chapter.

Sec. 35. 20-A MRSA §15904, sub-§3-A, as enacted by PL 2007, c. 240, Pt. XXXX, §35, is repealed.

Sec. 36. PL 2007, c. 240, Pt. XXXX, §36 is repealed.

Sec. 37. PL 2007, c. 240, Pt. XXXX, §37 is repealed.

Sec. 38. PL 2007, c. 240, Pt. XXXX, §38 is repealed.

Sec. 39. PL 2007, c. 240, Pt. XXXX, §39 is repealed.

Sec. 40. PL 2007, c. 240, Pt. XXXX, §40 is repealed.

Sec. 41. PL 2007, c. 240, Pt. XXXX, §41 is repealed.

Sec. 42. PL 2007, c. 240, Pt. XXXX, §42 is repealed.

Sec. 43. PL 2007, c. 240, Pt. XXXX, §43 is repealed.

Sec. 44. PL 2007, c. 240, Pt. XXXX, §44 is repealed.

Sec. 45. PL 2007, c. 240, Pt. XXXX, §45 is repealed.

Sec. 46. PL 2007, c. 240, Pt. XXXX, §46 is repealed.

Sec. 47. PL 2007, c. 240, Pt. XXXX, §47 is repealed.

Sec. 48. PL 2007, c. 240, Pt. XXXX, §48 is repealed.

SUMMARY

This initiated bill repeals the laws related to the consolidation of school administrative units that were enacted by the First Regular Session of the 123rd Legislature in Public Law 2007, chapter 240, Part XXXX. It restores the laws that were amended or repealed to accommodate the consolidation.